

## **MINUTES**

### **JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES**

**January 14, 2009  
Room 643, Legislative Office Building**

The Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services (LOC) met on Wednesday, January 14, 2009 in Room 643 of the Legislative Office Building. Members present were Senator Martin Nesbitt, Co-Chair; Representative Verla Insko, Co-Chair; Senators Austin Allran, Bob Atwater, Charlie Dannelly, James Forrester, Vernon Malone, and William Purcell and Representatives Jeff Barnhart, Beverly Earle, Bob England, Carolyn Justus, and Fred Steen. Advisory members Senator Larry Shaw and Representatives Van Braxton and William Brisson were also present.

Denise Harb, Ben Popkin, Shawn Parker, Susan Barham, Joyce Jones, and Rennie Hobby provided staff support to the meeting. Attached is the Visitor Registration Sheet that is made a part of the minutes. (See Attachment No. 1)

Representative Verla Insko, Co-Chair, called the meeting to order and welcomed members and guests. She asked for a motion to approve the minutes from the December 18, 2008 meeting. The motion was made by Senator Purcell and the minutes were approved.

Representative Insko asked Leza Wainwright, Director of the Division of Mental Health, Developmental Disabilities and Substance Abuse Services, to come forward and provide an update on the Albemarle LME. Ms. Wainwright said that in October, Albemarle had requested a \$4.5 million increase in its State funding. (In comparison, Albemarle's total allocation of State service dollars and systems management dollars is \$15 million.) She indicated that Albemarle's allocation had not been reduced from last year, and that therefore the Department could not understand how there could be such a shortage so early in the fiscal year. She said a review team of DHHS staff found significant problems in four key local management functions – finances, provider relations, customer services, and the utilization management of state funds. Providers have not received payment for services provided after September 2008. The LME issued reductions in workforce notices to 80 employees with layoffs effective January 15<sup>th</sup>. Ms. Wainwright said that Albemarle's board had decided to terminate the director effective February 1, and has appointed an interim director. She said the board may ask the State to take a more proactive role in finding solutions to Albemarle's problems. She said that there was still \$8 million in the State budget to help.

Representative Insko introduced the new Secretary of Health and Human Services, Lanier Cansler. Secretary Cansler said he looked forward to working with the Committee to try

to solve some of the issues facing the system. He said he would work to have an enhanced focus on developing community capacity and to take pressure off of the State facilities. He said he would continue to work with local hospitals to serve people in their local community. Secretary Cansler also expressed concern over the care of patients in the State facilities. He stated there would be a clear policy stating a zero tolerance for neglect or abuse of patients. He said that Governor Perdue wants openness, transparency, and accountability.

Pam Silberman, President of the North Carolina Institute of Medicine (NCIOM), gave the final report of the Taskforce on Substance Abuse Services. (See Attachment No. 2a) She explained that in 2007, the General Assembly asked the NCIOM to study the substance abuse system for the State with an interim report due in 2008, and a final report in 2009. Important issues addressed during her presentation included:

- Over 700,000 people abuse alcohol or drugs in North Carolina
- 90% of those entering prison have a substance abuse problem
- Substance abuse costs NC more than \$12 billion a year
- Only 10% with addiction problems are being served
- System not accessible to those seeking treatment
- Addiction is a chronic illness that affects the brain
- Addiction must be addressed on 4 levels – prevention, early intervention, specialized services, and recovery support
- One fourth of active and retired military have addiction problems or suffer from post traumatic stress and/or depression
- Severe shortage of licensed or credentialed substance abuse professionals
- Suggested recommendations of the Taskforce, which focus on filling in gaps to create a comprehensive substance abuse services system ranging from prevention to recovery support (See Attachment No. 2c)

Dr. Silberman was asked to provide data characterizing the prevalence of drugs in children ages 12 to 15. Representative Insko said that the LOC would consider the recommendations in developing its report to the General Assembly.

Next, John Corne, Chairman of the Commission on MH/DD/SAS, reported on deaths in State facilities. (See Report - Attachment No. 3) He said the Commission was charged with studying the death reporting statutes, and any additional reporting requirements or modifications to existing rules or procedures. Mr. Corne addressed the issues discussed by the Commission on the Death Report.

- Commission suggests that all deaths in facilities be reported to the Department and to the Disability Rights organizations to capture any questionable deaths that might have gone unreported
- Current reporting requirements are unduly complex with different requirements
- There should be uniformity in the reporting of the different deaths – 7 days vs. 3 days

Again, Representative Insko said the recommendations would be considered for the committee's report to the General Assembly.

Dr. Carol Ripple from the General Assembly's Program Evaluation Division reported on the results of the evaluation of services delivered by the Division of MH/DD/SAS. (See Attachments No. 4a and 4b; the full report is available from the Program Evaluation Division) The report provides independent analysis of data on services received by a specific group of individuals hospitalized at least once for mental health or substance abuse problems. Points made by Dr. Ripple included:

- The report focused on one subgroup of consumers due to the large scale of consumers receiving services from the Division
- The report looked at- the types of facilities; hospitalizations during calendar year 2007; rates of re-hospitalization, and services in the community of those with MH or SA disorders
- Hospitalization findings: 21% of consumers were rehospitalized in 2007; those with multiple hospitalizations were likely to be rehospitalized; 42% stayed short term in State facilities; only half discharged from hospital received follow-up services
- Community Based Services findings: Consumers receiving outpatient services were more likely to be rehospitalized; 48% stayed short term in community psychiatric wards; low-intensity services were offered more frequently to high-risk consumers; 54% saw a psychiatrist following discharge; LMEs struggling to serve community based services to high-need consumers
- Recommend that the Division of MHDDAS develop individualized information systems to track services – move towards electronic health records
- Recommend that Division continue efforts to strengthen community-based services – more access to crisis services, more community hospital beds, better follow-up

After lunch, Rhett Melton, Area Director of Pathways LME, highlighted Pathways' accomplishments, gave an overview of challenges, and offered suggestions to improve the system. (See Attachment No. 5) Items included were:

Accomplishments:

- A very robust continuum of care of crisis services
- Strong consumer feedback and collaboration
- Single stream funding
- Reduced demand and utilization of hospital bed days by 4,000 from 2007-2008 by developing crisis continuum

Challenges:

- Constant change in system, hard on everyone, stressful to consumers
- Increase demand on system and simultaneous budget cuts
- Challenge to care for consumers as providers go out of business

Suggestions:

- Case management by LME would provide better knowledge of the quality of care within the network
- Comprehensive assessments need to be done by LME; no vested interest
- Better collaboration between State and LME
- Pay providers based on successes with consumers

- Advocate for waiver to grow throughout the State

Next, Judy Truitt, Area Director for Orange-Person-Chatham Area Program (OPC), spoke to the Committee. (See Attachment No. 6) She provided a staff profile of OPC, addressed how county funds were distributed, and briefly gave an update on housing. She also reviewed initiatives that OPC was involved in which included:

- OPC identified as one of six sites to implement a model to improve how we are using the funds available through MAJORS and increasing the opportunities of adolescents in the system
- Developing comprehensive trauma training for provider network
- Developing staff liaison position to work between OPC, the Department of Social Services, and the Department of Juvenile Justice
- Working to design a training program for providers and staff to increase skills in meeting the needs of consumers
- Two training projects being implemented for substance abuse professionals

Karen Salacki, Area Director of the Beacon Center, provided an analysis of hospital admissions and bed day utilization. (See Attachment No. 7) Items emphasized in her presentation included:

- When trying to decrease admissions and bed days, community collaboration is necessary
- Developed strategies in pre-admission, acute admission, long term admission, and post discharge, resulted in fewer admissions and bed day utilization
  - 10,000 bed day reduction from 2006-2007 and 2007-2008
  - 373 admissions dropped between 2006-2007 and 2007-2008; could further drop 253 admissions in 2008-2009
- Hospital contract dollars needed
- Data and tracking information does not “share” well between State institutions
- Need to look at policy issues regarding undocumented consumers
- Impact of provider failure – increase in bed days and increase in admissions

Leza Wainwright, Director of the Division of MH/DD/SAS, provided an update on the expenditure of service dollars. She said a special provision in the Appropriations Bill last year directed DHHS to work with providers and LMEs to determine why service dollars are not being fully spent and to make recommendations.

- The group identified four challenges to the efficient expenditure of State funds:
  - Timing of when dollars are available, and the fact that appropriations revert at the end of the year
  - The capacity of LMEs to effectively screen/monitor providers, authorize services and manage the resources
  - Providers are challenged to operate efficiently and effectively
  - The design of the State IPRS system
- Proposed solutions by the group were:
  - Allow 2 years for the expenditure of any expansion funds
  - LMEs should enter into multi-year contracts rather than year-by-year

- New initiatives contracts should be program based rather than fee for service
- Standardize business practices across the LMEs
- All billing transactions should be on the U.S. national standard HIPPA compliance transaction sets
- Simplify the authorization process across LMES of how State funds are authorized
- LMEs should change some of authorization processes – concentrating on high-cost, high-end services and grant broader authorization for the lower-cost, low-end services
- Payment incentives for providers who engage in State funded services including longer authorization periods, creative financing and payment mechanisms
- Providers should be required to bill within 60 days in order to receive payment
- Unexpended funds at end of year should go to the Mental Health Trust Fund

Ms. Wainwright said some of the suggestions would require action by the General Assembly. She was asked to let the committee know how much money was currently in the MHTF.

Next, Dr. Jim Osberg, Chief, State Operated Services for DHHS, provided an update on State psychiatric hospitals as follows:

- Broughton Hospital has been recertified by CMS, and the hospital is getting ready to reapply for Joint Commission accreditation in February. The design process has begun for the new hospital at Broughton. Construction should begin in June, 2010 with a completion date of September, 2012.
- Central Regional Hospital (CRH) has a new director, Mike Hennike. CRH is certified with CMS and a follow-up visit from the survey agency will occur in February to confirm the plan of correction put in place from the December survey. CRH is Joint Commission accredited for both campuses (Butner and Raleigh). Once all patients are merged at CRH, accreditation will be recognized as one.
- Cherry Hospital is operating under the direction of Carl Fitch of the Compass Group until a permanent director is found. Cherry Hospital is not CMS certified. Compass is working on improvements in order to reapply this spring. Cherry is Joint Commission accredited. Construction at Cherry will begin in June with a completion date of September, 2011.
- A 2 day conference was held in December on the procedures to reduce the use of seclusion and restraints in order to develop more effective and appropriate therapeutic communication skills and conflict resolution skills.

Representative Insko explained that a draft of the LOC report to the General Assembly would be sent out to committee members before the next meeting in February. She suggested that members contact staff with specific items to include in the report. Senator

Nesbitt added that if money was needed for the system, the committee had the responsibility to tell the General Assembly even in bad economic times.

A special thanks was rendered to Secretary Dempsey Benton for the leadership he provided to the Department of Health and Human Services. Under his leadership there are more hospital beds at the local level and more coming; there is a movement to put Utilization Management back with the LMEs; mobile crisis units are across the State, cost of community supports is down substantially; and tiered rates have been approved in community supports.

There being no further business, the meeting adjourned at 3:27 PM.

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Senator Martin Nesbitt, Co-Chair

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Representative Verla Insko, Co-Chair

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Rennie Hobby, Committee Assistant